

TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE



FISCAL NOTE

HB 800 - SB 1259

March 16, 2009

SUMMARY OF BILL: Defines economic development as it relates to the power of eminent domain and establishes guidelines for public takings.

ESTIMATED FISCAL IMPACT:

Other Fiscal Impact – Changes in property tax collections may occur as a result of this bill. Currently, if a government acquires property through the power of eminent domain, the property may become a tax-exempt parcel. If the parcel is then leased to a private entity, payment in lieu of tax payments (PILOT) may be negotiated. The amount of any PILOT would vary and may differ from the tax collected prior to the government's exercise of eminent domain. Under this bill, these transactions may no longer take place. The impact on property tax revenue cannot be reasonably quantified due to these variables.

Assumption:

- The use of eminent domain for traditional purposes, such as road construction, would still be a permissible public use and would continue under this legislation.

CERTIFICATION:

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink, reading "James W. White".

James W. White, Executive Director

/kmc